

October 15, 2004

Ref: 2266-20646

Honorable James H. Welsh
Commissioner of Conservation
Post Office Box 94275
Baton Rouge, LA 70804-4275

Re: Hearing Application
Y-3 Zone, Reservoir B
SOUTHEAST LUNITA FIELD
Calcasieu Parish, Louisiana
Applicant: Duncan Oil, Inc.

Dear Mr. Commissioner:

In accordance with the Rules of Procedure for Conducting Hearings Before the Commissioner of Conservation of the State of Louisiana, application is hereby made on behalf of **Duncan Oil, Inc.** the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the Y-3 Zone, Reservoir B, in the Southeast Lunita Field, Calcasieu Parish, Louisiana.

In its application, Duncan Oil, Inc. intends to request the following, to wit:

1. To create a single drilling and production unit of approximately 320 acres for the Y-3 Zone, Reservoir B, designated as the Y-3 RB SUA, Southeast Lunita Field, Calcasieu Parish, Louisiana, all as shown more particularly on the attached plat;
2. To establish rules and regulations governing the exploration for and production of gas and condensate from the said unit;
3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the unit so created, with each tract sharing in unit production on a surface acreage basis of participation;
4. To consider such other matters relating to the subject reservoirs as may be appropriate and justified by the evidence presented at the public hearing.

The Y-3 Zone, Reservoir A in the Southeast Lunita Field, Calcasieu Parish, Louisiana is hereby defined as being that gas and condensate bearing zone

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encountered between the measured depths of 11,230 feet and 11,885 feet in the Conoco, Inc.-Walker No. 1 Well, located in Section 25, Township 8 South, Range 12 West, and is further defined as occurring in the measured depth interval from 12,140 feet to 12,902 feet in the DeNovo-Labokay No. 1 Well, located in Section 31, Township 8 South, Range 11 West.

In accordance with the Rules of Procedure for Conducting Hearings Before the Commissioner of Conservation of the State of Louisiana, the Commissioner of Conservation, the District Manager of the Lafayette District of the Office of Conservation and all interested owners, represented parties and interested parties known to the applicant after a reasonable search were notified in writing in the pre-application notice dated October 4, 2004 that a conference to discuss the proposed application was tentatively scheduled for 10:00 a.m. on Monday, October 25, 2004. It was stated at that time that this conference would be held only if a request to confer were received by the undersigned within ten (10) calendar days after the date of the pre-application notice. No requests to confer were received either in writing or by telephone and, in accordance with the Rules of Procedure, the tentatively scheduled conference **WILL NOT BE HELD**.

Attached hereto and made a part hereof is a plat outlining the Y-3 RB, Southeast Lunita Field, Calcasieu Parish, Louisiana, and a list of the names and addresses of the interested owners, represented parties and interested parties to whom this notice is being sent. It is hereby certified that a reasonable effort was made to ascertain the names and addresses of all interested owners, represented parties and interested parties.

A copy of the list of the names and addresses of the interested owners, represented parties and interested parties is not being mailed to those parties along with this hearing application. Should any such party desire a copy of this list, however, we will be glad to provide one upon request.

Upon receipt of the legal notice in the captioned matter, the notice will be posted, published and mailed in accordance with Rule 7 of the Rules of Procedure.

Any pertinent data relating to the proposed unit can be obtained, AT THE COST OF THE REQUESTING PARTY, from Mr. Bill Robbins of W. H. Robbins & Associates, 302 LaRue France Lafayette, La 70508 (337) 232-5004.

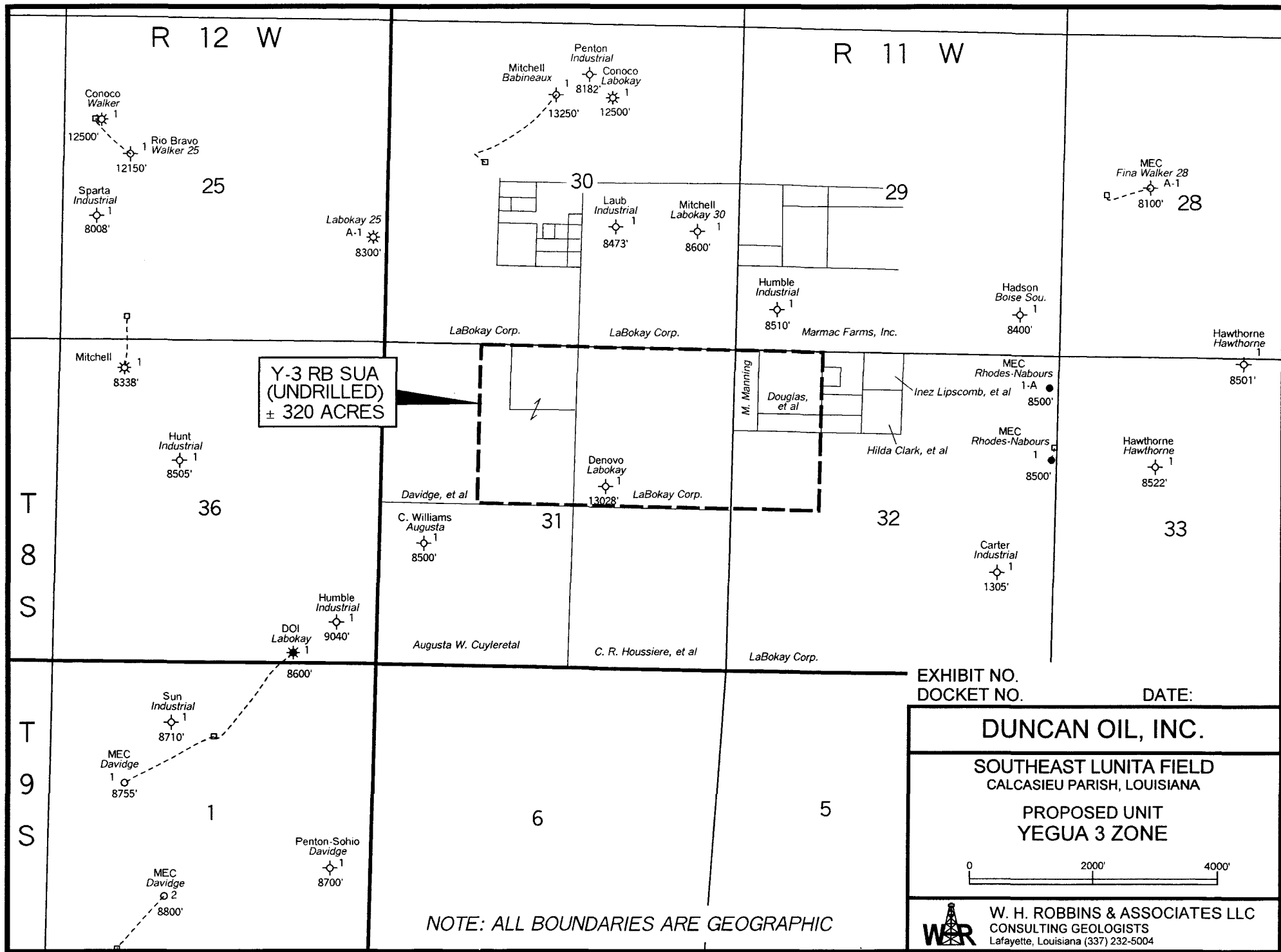
Finally, there is enclosed herewith our check on behalf of the applicant in the amount of \$755.00, made payable to the Office of Conservation, representing the required hearing application fee.

Very truly yours,


B. J. Duplantier

BJD/ht
Attachments
cc: Mr. Richard Hudson
District Manager
Office of Conservation

All Interested Owners, Represented Parties and
Interested Parties



NOTE: ALL BOUNDARIES ARE GEOGRAPHIC

EXHIBIT NO. _____
DOCKET NO. _____ DATE: _____

DUNCAN OIL, INC.

**SOUTHEAST LUNITA FIELD
CALCASIEU PARISH, LOUISIANA**

**PROPOSED UNIT
YEGUA 3 ZONE**

0 2000' 4000'



W. H. ROBBINS & ASSOCIATES LLC
CONSULTING GEOLOGISTS
Lafayette, Louisiana (337) 232-5004